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**2013 CEO NEGOTIATIONS  
CITY PACKAGE PROPOSAL E\***

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**TERM**

One Year Term

**WAGES**

2% General Wage Increase

**HIGHER CLASS PAY**

As Proposed on June 19, 2013 (City Proposal #4)

**EDUCATIONAL AND PROFESSIONAL INCENTIVES**

As Proposed on June 19, 2013 (City Counterproposal to Union Proposal #9)

**SICK LEAVE PAYOUT**

See Attached (City Proposal #18)

**DISABILITY LEAVE SUPPLEMENT**

As Proposed on March 28, 2013 (City Proposal #12)

**CALL BACK AND STANDBY PAY**

As Proposed on May 23, 2013 (City Counterproposal to Union Proposal #10)

**GRIEVANCE**

As Proposed on June 13, 2013 (City Counterproposal to Union Proposal #4)

**CONTRACTING OUT**

As Proposed on June 13, 2013 (City Counterproposal to Union Proposal #12)

**OVERTIME AND COMPENSATORY TIME**

As Proposed on June 13, 2013 (City Counterproposal to Union Proposal #13)

## 2013 CEO NEGOTIATIONS CITY PACKAGE PROPOSAL E\*

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### TENTATIVE AGREEMENTS

- Holidays - Tentative Agreement Reached on April 17, 2013
- Voluntary Dues Deductions - Tentative Agreement Reached on May 15, 2013
- Grievance Procedure - Tentative Agreement Reached on May 15, 2013
- Health and Dental In Lieu - Tentative Agreement Reached on May 15, 2013
- Citywide Labor Management Committee - Tentative Agreement Reached on May 15, 2013
- Leaves of Absence - Tentative Agreement Reached on May 23, 2013
- Safety - Tentative Agreement Reached on May 23, 2013
- Layoff – Tentative Agreement Reached on June 6, 2013

### SIDE LETTER AGREEMENTS

- Public Transit – Side Letter Agreement Reached on May 23, 2013
- Retiree Healthcare Stakeholder Solutions Working Group and Negotiations – Side Letter Agreement Reached on June 11, 2013

### REOPENERS

- Retiree Healthcare – The contract language contained in the agreement reached on June 11, 2013, shall be incorporated into the CEO Memorandum of Agreement.
- Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over retirement benefits upon request of either party in the event that the pension modification ballot measure, also known as Measure B, in part or in whole, is declared invalid or otherwise modified or changed by any court of competent jurisdiction or any other administrative process, or by any applicable State or Federal law or regulation.

Negotiations between the City and CEO shall commence within 14 days upon notice from either party that any action referenced in the previous paragraph has occurred. The City and CEO shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

*\* This proposal is submitted in an attempt to reach a settlement. In the event the proposal is not accepted, the City reserves the right to modify, amend and/or add proposals.*

**CITY PROPOSAL #18 – SICK LEAVE PAYOUT**

City Proposed Language:

- 18.2 Any employee hired on or after September 30, 2012, shall not be eligible for sick leave payout.
- 18.3 Upon a release of claims provided by the City and signed by the retiree, retroactive payments shall be made to eligible employees in the Federated City Retirement System, who retired on or after January 1, 2012, and before the date that this proposal is ratified and approved by the City Council, who were eligible for a sick leave payout at the time of their retirement under the requirements contained herein and did not receive the payout because the payouts were eliminated prior to their retirement. Retirees will be eligible for a payout of the amount of unused sick leave hours accrued as of December 31, 2011, or the date of their retirement, whichever is less. Payouts will be based on the provisions contained in Sections 18.5 and 18.6 below. This will resolve any claims related to sick leave payout upon retirement, including but not limited to:
- 18.3.1 Unfair Practice Charge No. SF-CE-945-M: The parties agree that the foregoing resolves the issues underlying unfair practice charge no. SF-CE-945-M filed by the Union with the Public Employment Relations Board on or about March 15, 2012; therefore, the Union agrees to withdraw the charge no later than sixty (60) calendar days after the execution of this agreement.
- 18.3.2 Case No. 1-12-CV-237150: The parties also agree that the foregoing resolves the issues underlying Case No. 1-12-CV-237150 filed by the Union with the Santa Clara County Superior Court of the State of California; therefore, the Union agrees to file a dismissal with prejudice to dismiss the City as a defendant from Case No. 1-12-CV-237150 no later than sixty (60) calendar days after the execution of this agreement.
- 18.4 For employees hired on or before December 31, 2011, a sick leave payout shall be made to full-time and part-time benefitted employees who are members of the Federated City Retirement System at the time of retirement or death under one of the following scenarios:
- 18.4.1 Federated Retirement Plan. The employee is: a) a member of the Federated Retirement Plan, and; b) retired under the provisions cited in the plan, and; c) credited with at least 15 years of service in this retirement plan, or; d) credited with at least 10 years of service prior to a disability retirement.
- 18.4.2 Terminated Employee with Vesting Rights. The employee has terminated service with the City in good standing, retained vesting rights in a retirement system according to provisions in the San José Municipal Code, and following such termination, qualifies for retirement and retires under the provisions cited in the code and has at the time of retirement credit for at least fifteen (15) years of service in the applicable retirement plan.

- 18.4.3 Death During Service. The estate of any full-time employee who dies while in City service and prior to retirement, even though the employee is not credited with at least 15 years of service in any applicable retirement plan.
- 18.4.4 Death of Terminated Employee. The estate of any full-time or eligible part-time employee who had terminated service with the City in good standing but had retained vesting rights in a retirement system according to provisions in the San José Municipal Code, and dies (on or after July 10, 1977) prior to becoming eligible for retirement allowances as cited under provisions of the San José Municipal Code, and has at the time of death credit for at least fifteen (15) years of service in the applicable retirement plan.
- 18.5 Effective June 22, 2013, for purposes of calculating a sick leave payout, employees' sick leave balances and hourly rates shall be frozen. This means that an employee will receive no more for a sick leave payout, after having met the requirements set forth above, than he or she would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

For example, if an employee's hourly rate is \$20 and his or her sick leave balance is 250 hours on June 22, 2013, then if he or she meets the eligibility requirements contained herein, the payout of a sick leave balance at the time of retirement will be based on the formula below, and shall be based on no more than 250 hours and an hourly rate of no more than \$20. This will occur even if the employee has subsequently earned more than 250 hours in sick leave or received a pay increase to an hourly rate higher than \$20. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 50 hours, they will only be entitled to a sick leave payout of 50 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be re-established in the sick leave balance subject to payout.

18.6 Payout shall be determined as follows.

- 18.6.1 Payout shall be determined as follows: If a full-time or eligible part-time employee at the time of retirement or death has earned unused sick leave hours, the employee or Estate shall be paid the equivalent of a specified percent of their hourly rate of pay as of June 22, 2013, multiplied by the total number of accumulated and unused hours of sick leave as of June 22, 2013 (minus any sick leave hours as of June 22, 2013, which were used), as follows:
- |        |                       |   |
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| 18.6.2 | Less than 400 hours - | Hours accumulated x 50% of final hourly rate; |
|        | or 400 - 799 hours -  | Hours accumulated x 60% of final hourly rate; |
|        | or 800 - 1200 hours - | Hours accumulated x 75% of final hourly rate. |

- 18.7 Use of previously accumulated sick leave hours. For purposes of determining the total number of accumulated and unused hours of sick leave of a full-time employee at the time of retirement or death, unused sick leave from prior periods of employment before June 22, 2013, with the City shall be used. However, previously accumulated sick leave shall be credited to the employee for use during an employee's current employment period.

